



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **LON/00AP/OLR/2019/0207**

Property : **Ground Floor Flat 24 St Margaret's
Avenue London N15 3DH**

Applicants : **Ms Farnaz Farahmand**

Representative : **Boulter and Company**

Respondent : **Michael Michael**

Representative : **None**

Type of Application : **Missing landlord
S50 and 51 of the Leasehold
Reform, Housing and Urban
Development Act 1993**

Tribunal Members : **Evelyn Flint DMS FRICS**

**Date and venue of
Hearing** : **2 April 2019
10 Alfred Place, London WC1E 7LR
Determination without an oral
hearing in accordance with the
procedure in regulation 13 of the
Leasehold Valuation Tribunals
(Procedure)
(England) Regulations 2003**

Date of Decision : **2 April 2019**

DECISION

Decision

1. The premium payable is £33,412. The terms of the lease are approved subject to “Full” in paragraphs 2 and 3 being replaced by “Limited”. The case is remitted to the Edmonton County Court to give effect to the Vesting Order (Claim No E02ED117).

Background

1. This case relates to an application made under section 50 of the Leasehold Reform, Housing and Urban Development Act 1993 (as amended) for a determination of the price to be paid for a statutory lease extension of a flat, where the landlord is missing. The application was made in the Edmonton County Court on 6 September 2018. The case was transferred to this Tribunal to determine the price and terms of the lease pursuant to a Vesting Order of District Judge Davies dated 7 February 2019 under section 50(1) of the Act providing for the surrender of the Claimant’s lease and the granting of a new lease as if a valid notice under Section 42 of the Act had been served.
2. The Tribunal issued Directions on 20 February 2019 and considered the matter on 2 April 2019.
3. Obiora Chianumba BA (Hons) MSc MRICS of Newman Webb was instructed by Boulter and Co. Solicitors for the Applicant, to prepare a report and valuation relating to the lease extension. She confirmed in her report dated 14 March 2019 that her evidence complied with the relevant RICS Practice Statement and that she recognised that her primary duty was to the Tribunal.

Evidence

4. The subject property is a ground floor flat in a two storey converted Edwardian terrace house of traditional construction with a pitched roof. A communal entrance lobby leads to the flat which comprised a living room with open plan kitchen, two bedrooms and bathroom/wc, the rear garden is also included in the demise.
5. The property is located in south Tottenham in a residential area of similar houses, many of which have been converted into flats. Local shops are available in Green Lanes, approximately a quarter of a mile from the property. Turnpike lane underground station and bus terminal are approximately one half a mile away.
6. The flat is subject to a lease dated 2nd August 1982 for a term of 99 years from the same date at £50 pa for the first 33 years, £100 pa for the next 33 years and £150 pa for the remainder of the term; the unexpired term at the

valuation date is 62.90 years. The lease demises the ground floor flat and rear garden.

7. Ms Chianumba adopted a capitalisation rate of 7% reflecting and a deferment rate of 5% based on the Sportelli decision.
8. She relied on sales of flats nearby to arrive at the value of the extended lease. The comparables comprised sales of two bedroom flats within a quarter of a mile of the subject flat. Six sales were referred to but only four relied upon because no information was available as to size or condition of these flats. The sale prices were adjusted for time using the Land registry "flat price indices" for the London Borough of Haringey.
9. 12B St Margaret's Avenue was sold in May 2018 for £427,000 with an unexpired term of 998.30 years. The sale price was adjusted by 3% to reflect its larger size, by £10,000 for condition being recently refurbished and by £15,000 for a lack of a rear garden. The adjusted sale price was £424,600.
10. 7B St Margaret's Avenue, a ground floor flat with rear garden was sold in October 2018 for £413,246 with 160.30 years unexpired. No other information is available and Ms Chianumba did not rely on this sale.
11. 3 St Margaret's Avenue, a first floor flat, was sold in March 2017 for £417,000 with 86.32 years unexpired. Adjusting for time and no rear garden, the adjusted sale price was £425,506. This sale was not relied upon as there were no further details available.
12. A first floor flat at 157 Haringey Road sold in November 2018 for £390,000. The adjusted sale price was £415,549 to reflect the time differential and no rear garden.
13. 19 Alfoxton Avenue, a ground floor flat with rear garden, was sold in September 2017 for £435,000. Taking into account the larger floor area and time the adjusted sale price was £409,844.
14. A first floor flat at 18 Carlingford Road was sold in August 2017 for £420,000. Adjusting for time, size and no rear garden the adjusted sale price was £409,043.
15. As there was limited evidence of short leasehold values Ms Chianumba derived the value by taking into account the RICS research "Leasehold reform: Graphs of Relativity", which she stated supported a relativity of 88.07% based on the average of the following relativities: South East Leasehold 90.58%; Nesbitt & Company 85.9%; and Andrew Pridell Associates 87.74% .
16. Her valuation was appended to the report and produced a premium of £33,412.

Decision

17. **Valuation date.** The valuation date has been correctly identified in the report as the date of the application to the court 6 September 2018.
18. **Valuation of the extended lease.** The best comparables are those located closest to the subject premises, all are within a short distance. The tribunal accepts the value proposed of £415,000.
19. **Valuation of existing lease.** There was no sales evidence of short leases in the vicinity. The Tribunal accepts Ms Chianumba's adoption of the average of the graphs giving a relativity of 88.07%
20. **Capitalisation and Deferment Rate.** The Tribunal accepts both the capitalisation rate of 7% and deferment rate of 5%.
21. **Enfranchisement Price.** The Tribunal determines the premium to be paid at £33,412 in accordance with the valuation in the expert report..
22. **Terms of the lease.** The terms are approved providing the references to "Full Title Guarantee" at paragraphs 2 and 3 are amended to "Limited Title Guarantee".

Evelyn Flint
Chairman

2 April 2019

RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not

complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.

4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

